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C O N F I D E N T I A L SECTION 01 OF 02 CARACAS 000231

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TAGS: PGOV KDEM VE

SUBJECT: AMBASSADOR'S LUNCH WITH TEODORO PETKOFF

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Classified By: AMBASSADOR WILLIAM R. BROWNFIELD FOR 1.4 (D)

Summary

(C) In a lunch with the Ambassador January 30, long-time leftist and opposition figure Teodoro Petkoff shared his view of the post-election period. While he believed that Chavez would be in power for some time, Petkoff thought the Venezuelan President's aggressive political agenda was planting the seeds for his eventual downfall. On the opposition front, Petkoff heralded 2006 consensus presidential candidate Manuel Rosales as the only opposition leader with national name recognition and a plan to rebuild a viable, long-term alternative to Chavez. He recommended the USG make Rosales its prime interlocutor on opposition issues, but cautioned against cooperating too closely on projects in Zulia. End Summary.

Chavez' Vulnerabilities

12. (C) The Ambassador had lunch January 30 with Teodoro Petkoff, editor of Tal Cual, old line leftist, virulent anti-Chavista, and most recently, Manuel Rosales' confidante and political manager of his presidential campaign as the opposition consensus candidate in 2006. Petkoff opened with his assessment of Chavez' strength. He said the President had made some political and economic decisions in the past month that would make him vulnerable over the long term. thought Chavez had decided to roll out his aggressive political agenda in January (nationalizations, unified Socialist party, Emergency Decree Law, constitutional reform) because he realized he would never be in a stronger political position than right now. But in so doing, he has angered his non-Fifth Republic Movement (MVR) supporters, lost international support, and frightened foreign and domestic investors. Moreover, there is no one left in the BRV who will tell Chavez anything he does not want to hear. On the economic front, Petkoff said an international price of oil around \$50 puts great stress on PDVSA and the BRV, given the number and dimension of the commitments made by Chavez since 12004. Despite these vulnerabilities, Petkoff did not predict the imminent collapse of the Chavez government. On the contrary, he thought the Chavez phenomenon would last for years. But he thought Chavez had planted the seeds that

would eventually destroy his model.

Rosales as Opposition Leader

13. (C) Petkoff thought Rosales was the only truly national opposition leader in Venezuela, as he enjoyed support and name recognition throughout the country. He urged that the USG treat him as such and make him its prime interlocutor on opposition issues. Rosales had a long term plan for building a viable, permanent opposition. The greatest gift that Rosales gave to the opposition in the presidential election was to bring them back from the "ruinous" abstention policy of 2004 and 2005. Rosales made it clear to the world that 40% of the Venezuelan population opposed Chavez, and they had to enjoy some political rights and voice. Petkoff revealed that some in Rosales, campaign headquarters on election night wanted to fight (again) the electoral fraud issue. He said Rosales showed great judgment and courage in ignoring them and recognizing Chavez, victory.

Support for Zulia

¶4. (C) Petkoff understood Rosales had given the green light for USG cooperation with Zulia state government institutions. He did not completely agree with that decision, and counseled that we not provide so much and so visible assistance as to put Rosales in a politically vulnerable position. He and Rosales had been hammering Chavez in public for intervening in Nicaraguan internal affairs by providing subsidized oil to specific Sandanista-run municipalities for political purposes. It would be a shame were we to open Rosales to the same criticism for accepting direct assistance from the USG, he said.

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Opposition Organization

15. (C) Petkoff said the major opposition institutions -Rosales, Primero Justicia, Accion Democratica, Christian
Democratic party (COPEI), himself and the anti-Chavez left -were coordinating messages and strategy. For now, they all
acknowledged Rosales as primus inter pares. The Ambassador
asked if we should expect some sort of declaration of common
principles, as was done by the Venezuelan opposition at the
end of the military dictatorship in 1958. Petkoff said that
was not in the cards. He said the parties would agree on a
general strategy, issue common statements on specific issues,
and coordinate international travel and meetings. However,
he predicted that they would not link up into a single
organization, share financial resources, nor even necessarily
run unified candidates in future municipal and parliamentary
elections.

Prosecution of Petkoff and Tal Cual Newspaper

16. (C) The Ambassador asked about the state of play of BRV prosecution of Petkoff and his paper, Tal Cual, for their satirical letter to Chavez, minor daughter in 2005. He said the process continued. In fact, the latest hearing had been held the previous week. He did not think the prosecutors and judge believed they had a case that would withstand international scrutiny, so he predicted they would drag out the process. Their hope was to bleed resources from Petkoff and the newspaper, intimidate him from further attacks on Chavez, and impose a chilling effect on the rest of the media. Petkoff was confident that Tal Cual would keep attacking, but thought the intimidation was working better

with other media representatives.

17. (C) Comment: Petkoff is Venezuela's most prominent anti-Chavez leftist. He is generally an ally. He wants to visit the U.S. to participate in some academic and public affairs events. He is ineligible due to leftist guerrilla activity in the 1960's and 1970's. We will need to make a political decision to allow him a waiver to visit. BROWNFIELD